

ORIGINAL
JOHNSON UTILITIES, L.L.C.

5230 East Shea Boulevard * Scottsdale, Arizona 85254

TEL: (480) 998-3300; FAX: (480) 483-7908



0000125234

May 12, 2011

2011 MAY 12 P 4:42

Arizona Corporation Commission

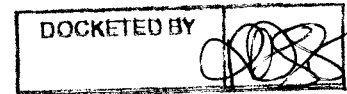
DOCKETED

MAY 12 2011

Hand-Delivered

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Steve Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007



Re: Annual Water and Wastewater Compliance Report of Johnson Utilities, LLC filed pursuant to Decision 63960 (as amended by Decision 64062) and Decision 65840 (Docket Nos. WS-02987A-99-0583; WS-02987A-00-0618; W-02234A-00-0371; W-02859A-00-0774; and W-01395A-00-0784, Consolidated)

Dear Mr. Olea:

In accordance with the above-referenced decisions, Johnson Utilities, LLC ("Johnson Utilities" or the "Company") hereby files documentation from the Arizona Department of Environmental Quality ("ADEQ") demonstrating the Company's compliance with ADEQ requirements for the preceding year. Enclosed please find ADEQ compliance status letters for the following facilities:

Anthem Water Reclamation Plant
Precision Water Reclamation Plant
San Tan Water Reclamation Plant
Section 11 Water Reclamation Plant
Pecan Water Reclamation Plant
Johnson Utilities Water System (WS 11-128)
Anthem at Merrill Ranch Water System (WS 11-136)

ADEQ reports that the Johnson Utilities Water System and the Anthem at Merrill Ranch Water System are each in full compliance, delivering water that meets water quality standards. ADEQ also reports that the Anthem Water Reclamation Plant and the Precision Water Reclamation Plant are each in full compliance with no enforcement actions pending.¹ Regarding the Section 11 Water Reclamation Plant and the Pecan Water Reclamation Plant, ADEQ is reporting that these facilities are not currently in compliance with their respective aquifer protection permits ("APPs") due to open Notices of Violation ("NOVs"). Copies of the NOVs have previously been submitted to your attention in accordance with the requirements of the above-referenced decisions. Johnson Utilities has complied with all requirements of the NOVs and is awaiting closure of the NOVs by ADEQ. The Company respectfully disagrees with ADEQ that the mere existence of an open NOV establishes that a facility is not in compliance. Once the notices of closure have been issued on the open NOVs, Johnson Utilities will file them with the Commission along with an updated compliance status report from ADEQ showing that the facilities are in full compliance.

Regarding the San Tan Water Reclamation Plant ("San Tan WRP"), ADEQ has alleged exceedances of nitrate-nitrite and total nitrogen. However, based upon the results of weekly groundwater sampling at the San Tan WRP monitoring well, which commenced in September 2009, Johnson Utilities

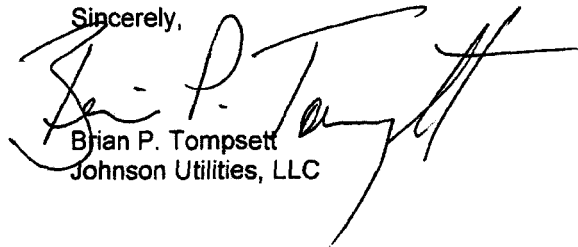
¹ The Precision Water Reclamation Plant is not operating at this time.

Mr. Steven Olea
May 12, 2011
Page 2

has ascertained and documented for ADEQ that elevated levels of nitrate-nitrite and total nitrogen in the Company's monitoring well are present because the background groundwater in the area has existing elevated levels of these constituents. Based upon the Company's sample results, it is clear that effluent from the San Tan WRP does not cause or contribute to the alleged exceedances of nitrate-nitrite and total nitrogen in the background groundwater. The effluent from the San Tan WRP has been and continues to be in compliance with the discharge limits set forth in the Company's APP. Johnson Utilities will work with ADEQ to amend its APP 43235 to increase the allowable background aquifer quality levels. The Company will notify the Commission when it has filed an application to amend its APP, and will provide periodic updates to the Commission regarding the permit amendment status.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Brian P. Tompsett
Johnson Utilities, LLC

Enclosures

cc (with enclosures):

Docket Control (original plus 13 copies)
Mr. Brian Bozzo, Compliance Manager
Jeff Crockett, Brownstein Hyatt Farber Schreck

14676\1\1527394.1

ADEQ COMPLIANCE STATUS REPORTS



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

April 15, 2011

Arizona Corporation Commission
Mr. Brian Bozzo, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

Re: Compliance Status for Anthem WRP, Inventory number 105646,
Place ID 91546, Permit number 45436.

Dear Mr. Bozzo,

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that above facility has Aquifer Protection Permit number 45436 issued on 04/03/2008.

Based on the aquifer protection permit reporting requirements and monitoring results which have been submitted indicate the facility is in compliance based on the current information that is available to ADEQ. No enforcement actions are pending.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV

cc: Greg Brown
Facility file

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

April 15, 2011

Arizona Corporation Commission
Mr. Brian Bozzo, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

Re: Compliance Status for Precision WWTP, Inventory number 105004,
Place ID 138145, Permit number 23124.

Dear Mr. Bozzo,

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that above facility has aquifer protection permit number 23124 issued on 04/08/2004.

Based on the aquifer protection permits reporting requirements and monitoring results which have been submitted indicate the facility is in compliance based on the current information that is available to ADEQ. No enforcement actions are pending.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV

cc: Greg Brown
Facility file

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

April 15, 2011

Arizona Corporation Commission
Mr. Brian Bozzo, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

Re: Compliance Status for San Tan Water Reclamation Plant, Inventory number 105325,
Place ID 18584, Permit number 43235.

Dear Mr. Bozzo,

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that above facility has aquifer protection permit number 43235 issued on 10/24/2007.

Based on the aquifer protection permit reporting requirements and monitoring results which have been submitted indicate the facility is not in compliance based on the current information that is available to ADEQ.

The following information details the reason for non-compliance.

1. Aquifer Quality level exceedance for nitrate-nitrite As N-1. Month of October, November, and December, 2010. SMP PT #2. Monitoring point 114124.
2. Aquifer Quality level exceedance for total nitrogen. Month of October, November, and December, 2010. SMP PT #2. Monitoring point 114124.
3. Aquifer Quality level exceedance for nitrate-nitrite As N-1. Month of July, August, and September, 2010. SMP PT #2. Monitoring point 114124.
4. Aquifer Quality level exceedance for total nitrogen. Month of July, August, and September, 2010. SMP PT #2. Monitoring point 114124.
5. Aquifer Quality level exceedance for nitrate-nitrite As N-1. Month of June, 2010. SMP PT #2. Monitoring point 114124.
6. Aquifer Quality level exceedance for total nitrogen. Month of June, 2010. SMP PT #2. Monitoring point 114124.
7. Aquifer Quality level exceedance for nitrate-nitrite As N-1. Month of January, 2010. SMP PT #2. Monitoring point 114124.
8. Aquifer Quality level exceedance for total nitrogen. Month of January, 2010. SMP PT #2. Monitoring point 114124.
9. Aquifer Quality level exceedance for nitrate-nitrite As N-1. Month of October, November, and December, 2009. SMP PT #2. Monitoring point 114124.

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

10. Aquifer Quality level exceedance for total nitrogen. Month of October, November, and December, 2009. SMP PT #2. Monitoring point 114124.
11. Aquifer Quality level exceedance for nitrate-nitrite As N-1. Month of July, August, and September, 2009. SMP PT #2. Monitoring point 114124.
12. Aquifer Quality level exceedance for total nitrogen. Month of July, August, and September, 2009. SMP PT #2. Monitoring point 114124.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV

cc: Greg Brown
Facility file



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

April 15, 2011

Arizona Corporation Commission
Mr. Brian Bozzo, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

Re: Compliance Status for Section 11 WWTP, Inventory number 103081, Place ID 142,
Permit number 35634.

Dear Mr. Bozzo;

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that above facility has aquifer protection permit number 35634 issued on 04/10/2006.

Based on the aquifer protection permit reporting requirements and monitoring results which have been submitted indicate the facility is not in compliance based on the current information that is available to ADEQ.

The following information details the reason for non-compliance.

1. Open notice of violation related to case numbers 102722, and 103357.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV

cc: Greg Brown
Facility file

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Henry R. Darwin
Director

April 15, 2011

Arizona Corporation Commission
Mr. Brian Bozzo, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

Re: Compliance Status for Pecan WRP, Inventory number 105324,
Place ID 18583, Permit number 41570, and 37771.

Dear Mr. Bozzo;

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that above facility has aquifer protection permit number 37771, and 41570 issued on 02/04/2008, and 11/20/2006, respectively.

Based on the aquifer protection permit reporting requirements and monitoring results which have been submitted indicate the facility is not in compliance based on the current information that is available to ADEQ.

It is important to note that this report does not include an evaluation of the compliance status related to AZPDES permit number 37536 since permittee has notified the department of voluntarily termination of AZPDES permit on March 23, 2011.

The following information details the reason for non-compliance.

1. Open Notice of Violation related to case numbers 120285, 97512, and 92021.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV

cc: Greg Brown
Facility file

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

Arizona Department of Environmental Quality
Drinking Water Monitoring and Protection Unit
 Mail Code 5415B-2
 1110 West Washington Street
 Phoenix, AZ 85007

Drinking Water Compliance Status Report

System Name	System Type	Is system consecutive?
JOHNSON UTILITIES	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
System ID #	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
11128	<input type="checkbox"/> Transient Non-community	

Overall compliance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Monitoring and Reporting status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	9-28-10	Inspector Karen Berry, PHX
Major unresolved/ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi <input type="checkbox"/> cross connection/backflow problems <input type="checkbox"/> treatment deficiencies <input type="checkbox"/> certified operator <input type="checkbox"/> inadequate storage <input type="checkbox"/> surface water treatment rule <input type="checkbox"/> ATC/AOC <input type="checkbox"/> other =		
Comments: None		

Is an ADEQ administrative order in effect?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	52942
Service Connections	18908
Number of Entry Points to the Distribution System	10
Number of Sources	14
Initial Monitoring Year	2000
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Evaluation completed by	Donna Calderon, Manager Drinking Water Monitoring and Protection Unit		
Phone	602-771-4641	Date	April 12, 2011
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.

Arizona Department of Environmental Quality
Drinking Water Monitoring and Protection Unit
 Mail Code 5415B-2
 1110 West Washington Street
 Phoenix, AZ 85007

Drinking Water Compliance Status Report


System Name	System Type	Is system consecutive?
ANTHEM AT MERRILL RANCH	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes,
System ID #	<input type="checkbox"/> Non-transient Non-community	to PWS #
11136	<input type="checkbox"/> Transient Non-community	<input checked="" type="checkbox"/> No

Overall compliance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Monitoring and Reporting status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	2-8-10	Inspector Karen Berry, PHX
Major unresolved/ongoing operation and maintenance deficiencies:		
<input type="checkbox"/> unable to maintain 20psi <input type="checkbox"/> cross connection/backflow problems <input type="checkbox"/> treatment deficiencies <input type="checkbox"/> certified operator <input type="checkbox"/> inadequate storage <input type="checkbox"/> surface water treatment rule <input type="checkbox"/> ATC/AOC <input type="checkbox"/> other =		
Comments: None		

Is an ADEQ administrative order in effect?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	4648
Service Connections	1660
Number of Entry Points to the Distribution System	2
Number of Sources	3
Initial Monitoring Year	2008
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Evaluation completed by	Donna Calderon, Manager  Drinking Water Monitoring and Protection Unit		
Phone	602-771-4641	Date	April 12, 2011
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.